

MORTON COUNTY, KANSAS
Elkhart, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2011

MORTON COUNTY, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2011

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MORTON COUNTY, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners
Morton County, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Morton County, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of Morton County, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Morton County, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Morton County, Kansas, as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Morton County, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

The Board of County Commissioners
Morton County, Kansas

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Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds, schedule of general fund departmental expenditures, schedule of expenditures of federal awards (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Hay•Rice & Associates, Chartered

September 24, 2012

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Board of County Commissioners
Morton County, Kansas

We have audited the financial statements and the discretely presented component units of Morton County, Kansas, as of and for the year ended December 31, 2011, and have issued our report thereon dated September 24, 2012, which was qualified because Morton County, Kansas prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Morton County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morton County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Morton County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The Board of County Commissioners
Morton County, Kansas

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hay•Rice & Associates, Chartered

September 24, 2012

MORTON COUNTY, KANSAS

Statement 1

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the year ended December 31, 2011

| <u>Funds</u> | <u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u> | <u>Cash</u> <u>Receipts</u> | <u>Expenditures</u> | <u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u> | <u>Add</u> <u>Outstanding</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u> | <u>Ending</u> <u>Cash</u> <u>Balance</u> |
|---|--|--------------------------------|---------------------|---|--|--|
| Governmental Fund Types: | | | | | | |
| General Fund | \$1,608,274 | \$ 3,595,197 | \$ 3,625,102 | \$1,578,369 | \$404,829 | \$1,983,198 |
| Special Revenue Funds: | | | | | | |
| Road and Bridge | 23,596 | 1,347,214 | 1,001,544 | 369,266 | 41,817 | 411,083 |
| Extension Council | - | 93,860 | 93,860 | - | - | - |
| Conservation District | - | 22,131 | 22,131 | - | - | - |
| Mental Health | - | 22,128 | 22,128 | - | - | - |
| Developmental Disabled | 192 | 13,845 | 14,000 | 37 | - | 37 |
| Health | 146,145 | 127,133 | 95,743 | 177,535 | 8,344 | 185,879 |
| Emergency Medical Service | 38,372 | 218,111 | 102,842 | 153,641 | 2,568 | 156,209 |
| Hospital Maintenance | 46,901 | 1,141,614 | 1,150,000 | 38,515 | - | 38,515 |
| Council on Aging | 75,039 | 77,502 | 121,101 | 31,440 | 7,747 | 39,187 |
| Rural Fire District | 1,922 | 166,490 | 123,858 | 44,554 | 532 | 45,086 |
| Library Maintenance | - | 231,286 | 231,286 | - | - | - |
| Historical Records | - | 79,329 | 79,329 | - | - | - |
| Noxious Weed | 99,186 | 32,269 | 68,664 | 62,791 | 103 | 62,894 |
| Airport Maintenance | 13,697 | 121,258 | 130,047 | 4,908 | 1,041 | 5,949 |
| Employees' Benefits | 31,910 | 1,621,216 | 1,295,152 | 357,974 | 13,404 | 371,378 |
| Fair Maintenance | - | 61,779 | 61,779 | - | - | - |
| County Building | 481,101 | 147,487 | 62,325 | 566,263 | 2,188 | 568,451 |
| Special Alcohol and Drug Abuse | 1,944 | 1,573 | 2,700 | 817 | 2,700 | 3,517 |
| Equipment Reserve | 345,886 | 275,192 | 13,274 | 607,804 | - | 607,804 |
| Special Highway Improvement | 758,641 | 200,000 | - | 958,641 | - | 958,641 |
| Special Highway Equipment | 1,447,905 | 200,000 | 91,139 | 1,556,766 | 54,239 | 1,611,005 |
| Rural Fire Equipment | 324,769 | 28,000 | 74,718 | 278,051 | 13,500 | 291,551 |
| Emergency Medical Service Equipment | 626,379 | 30,000 | 17,372 | 639,007 | 2,985 | 641,992 |
| Noxious Weed Equipment | 52,122 | - | 1,007 | 51,115 | - | 51,115 |
| Bioterrorism | 12,599 | 8,707 | 10,045 | 11,261 | 215 | 11,476 |
| Local E911 | 41,232 | 21,801 | - | 63,033 | - | 63,033 |
| Bond and Interest | 81,697 | 560,262 | 544,274 | 97,685 | - | 97,685 |
| Special Law Enforcement | 2,944 | 662 | - | 3,606 | - | 3,606 |
| Capital Projects – Airport Project | (112,807) | 1,772,263 | 1,706,636 | (47,180) | - | (47,180) |
| Fiduciary Fund Types – Expendable Trust Funds: | | | | | | |
| Treasurer's Special Auto | - | 31,094 | 31,094 | - | - | - |
| Prosecutor's Training | 3,914 | 313 | - | 4,227 | - | 4,227 |
| County Attorney Diversion | 25,828 | 20,717 | 25,553 | 20,992 | 1,828 | 22,820 |
| Law Library | 177 | 12,566 | 11,222 | 1,521 | - | 1,521 |
| Special Economic Development | 41,783 | 11,600 | - | 53,383 | - | 53,383 |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$6,221,348</u> | <u>\$12,294,599</u> | <u>\$10,829,925</u> | <u>\$7,686,022</u> | <u>\$558,040</u> | <u>\$8,244,062</u> |

The notes to the financial statements are an integral part of this statement.

MORTON COUNTY, KANSAS

Statement 1
(Continued)

STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the year ended December 31, 2011

Composition of Cash:

County Treasurer:

Time Deposits:

| | |
|--|-------------|
| Colorado East Bank and Trust – CD's | \$2,350,000 |
| First National Bank – Elkhart, KS – CD's | 6,750,000 |
| First National Bank – Elkhart, KS – Money Market | 3,019 |

Checking Account:

| | |
|-----------------------------------|-----------|
| First National Bank – Elkhart, KS | 7,481,644 |
| Cash on hand | 37,302 |

Clerk of the District Court:

Checking Account:

| | |
|-----------------------------------|--------|
| First National Bank – Elkhart, KS | 37,291 |
|-----------------------------------|--------|

Law Library:

Checking Account:

| | |
|-----------------------------------|--------------|
| First National Bank – Elkhart, KS | <u>1,521</u> |
|-----------------------------------|--------------|

| | |
|--------------------------|--------------|
| Total Primary Government | \$16,660,777 |
|--------------------------|--------------|

| | |
|-----------------------------|------------------|
| Agency Funds per Schedule 3 | <u>8,416,715</u> |
|-----------------------------|------------------|

| | |
|---|---------------------|
| Total Reporting Entity (Excluding Agency Funds) | \$ <u>8,244,062</u> |
|---|---------------------|

The notes to the financial statements are an integral part of this statement.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Morton County is a municipal corporation governed by an elected three-member commission. These financial statements present Morton County (the primary government). The Law Library is fiscally independent of the County. It is required by statute to be audited as part of the County audit. The Law Library is used in County offices, but is operated independent of the County's governing body. Even though the Law Library is considered to be an entity independent of the County, its financial information is presented as a part of the primary government's financial statements because it is clearly an immaterial item. All component units of the County are not included in these financial statements.

A component unit is defined as an entity legally separate from the County, which is a significant dependence on, or relationships with, the County.

Component Units not Presented:

Extension Council – Morton County Extension Service provides services in such areas as agriculture, home economics and 4-H to all persons in the County. The Council is an elected executive board. The County annually provides significant operating subsidies to the Council.

Library Board – The Morton County Library Board operates the County's public library. All board members are appointed by the County Commissioners.

Hospital – The Morton County Hospital Board operates the County's hospital. The County Commissioners appoint all the board members. The County annually levies a tax for the hospital.

Housing Authority – Morton County Housing Authority Board operates the public housing projects. Board members are appointed by the Morton County Commissioners. The housing authority can sue and be sued, and can buy, sell or lease real property. Bond issuance must be approved by the County.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Related Organizations

The County Commissioners are responsible for appointing the members of the following advisory boards, but the County's accountability does not extend beyond making the appointments.

Senior Center Board
Historical Society

Joint Ventures:

Southwest Developmental Services, Inc. – Southwest Developmental Services, Inc. provides services to the developmentally disabled. Morton County Commissioners appoint one member to the board of directors.

Area Mental Health Center – The Area Mental Health Center provides mental health services for several counties. The Morton County Commissioners appoint two members to the board of directors.

Southwest Area Agency on Aging – The Morton County Commissioners appoint three members to the board of directors of the Southwest Area Agency on Aging, which provides services for the elderly for several southwest Kansas counties.

Fund Accounting

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of Morton County for the year of 2011:

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds:

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt of Morton County.

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others.

Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

Budgetary Information and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information and Tax Cycle (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, fiduciary type funds and nonoperating enterprise funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information and Tax Cycle (Continued)

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is credited to Morton County General Fund.

Taxes levied to finance the budget are made available to Morton County, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Other Accounting Policies

Item 1: Cash

Cash includes amounts on hand, in checking and time deposit accounts.

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Deposits are carried at cost. The carrying amount of deposits is separately displayed as "cash".

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, Morton County, Kansas deposited all funds with the First National Bank of Elkhart, Kansas and Colorado East Bank and Trust located in Elkhart, Kansas.

Item 2: Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies (Continued)

Item 3: Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Item 4: Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Item 5: Bonds Payable

All unmatured general obligation long-term liabilities of the County are accounted for in a permanent set of records.

Item 6: Reimbursed Expense

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursements were made in the current year on behalf of the payee
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 2: Long-Term Debt – General Obligation Bonds

The government may issue general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are issued for only general government activities.

When issued these bonds are direct obligations and pledge the full faith and credit of the government. There were no principal and interest maturities on general obligation bonds at year end.

Note 3: Noxious Weed Supervisor

Most of the field reports were not signed by the landlord and/or the tenant.

Note 4: Interfund Transfers

| <u>From</u> | <u>Amount</u> | <u>To</u> | <u>Authority</u> |
|---------------------------|---------------|-------------------------------------|------------------|
| Treasurer's Special Auto | \$ 18,815 | General Fund | KSA 8-145 |
| Emergency Medical Service | 30,000 | Emergency Medical Service Equipment | KSA 12-110d |
| Road and Bridge | 200,000 | Special Road Equipment | KSA 68-141g |
| Rural Fire | 28,000 | Rural Fire Equipment | KSA 19-3612c |
| Road and Bridge | 200,000 | Special Highway Improvement | KSA 68-141g |
| General | 275,000 | Special Equipment | KSA 19-119 |

Note 5: Statutory Compliance

- A. Contrary to the provisions of K.S.A. 10-1117 and 79-2934, the required budget and encumbrance records were not maintained by the County Clerk for 2011.
- B. There was sufficient cash to liquidate all claims outstanding at December 31, 2011.
- C. The Director of Accounts and Reports waived the statutory requirement relating to the preparation of the financial statements and financial reports that conform to the generally accepted accounting principles.
- D. Contrary to the provisions of K.S.A. 19-4206, the County Treasurer was provided blanket bond coverage.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 6: Developmental Disabled and Mental Health Funds

Expenditures of these funds are not subject to budget laws.

Note 7: Audit Reports – Boards

The following boards and associations have filed audit reports or agreed-upon procedures reports for the year ended December 31, 2011 with the Morton County Clerk, in accordance with provisions of K.S.A. 75-1120a:

Hospital Board
Library Board
Extension Council
Fair Association

Note 8: Defined Benefit Pension Plan, Work Policy Rules and Regulations

Defined Benefit Pension Plan

Morton County ~~participates in~~ **(2011 KMAG “contributes to”) (2013 KMAG goes back to “participates in”)** the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve bases. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2011 is 6.74%. Morton County employer contributions to KPERS for the years ending December 31, 2011 and 2010 were \$136,813 and \$129,023, respectively, equal to the required contributions for each year.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 8: Defined Benefit Pension Plan, Work Policy Rules and Regulations (Continued)

Work Policy Rules and Regulations

Work Week – For all employees covered by Morton County other than the Sheriff, Undersheriff and Deputies, who receive a salary or wages on a monthly basis, a work week shall consist of forty (40) hours. Designated employees with less than a forty (40) hour work week will be approved by the head of the department. No overtime, except when necessary, will be worked. For any time worked over regular hours for a specific week, time off, in a comparable amount, must be taken within the same pay period.

Overtime – Overtime, if necessary, will consist of hours worked in excess of the normal forty (40) hour work week, except for Deputies of the Sheriff. Overtime for Sheriff's deputies will consist of hours worked in excess of 171 hours per month.

- (a) Overtime will be paid at one and one-half (1 ½) times the regular hourly rate for each employee.
- (b) Resolution 87-6A shall govern payment of overtime to Sheriff's Dispatchers.

Part-Time Employees – Part-time employees and temporary employees will be paid on the basis of time actually worked and will not be entitled to receive pay for vacation or sick leave.

Compensation – Each Morton County employee shall receive his or her wages or salary twice monthly, on the sixteenth and first day of each month. If the sixteenth or first day of the month falls on Saturday or Sunday, payroll will be issued to employees on the last working day prior to the weekend.

Vacations – Vacation time for Morton County employees shall be allowed as follows:

| <u>Length of Service</u> | <u>Days of Vacation Accrued Annually</u> |
|--------------------------|--|
| 1st year | # of months worked previous year X .833 |
| 2-5 years | 10 days |
| 6-10 years | 15 days |
| 11+ | 20 days |

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 8: Defined Benefit Pension Plan, Work Policy Rules and Regulations (Continued)

Work Policy Rules and Regulations (Continued)

Sick Leave – Each permanent full-time Morton County employee shall be allowed one day sick leave for every month of continuous employment. Such sick leave shall be accumulative from year to year to a maximum of ninety (90) days. Such accumulation shall not apply to probationary employees until the six (6) month probationary period has expired. Sick leave must be used for sickness or injury. It cannot be used for vacation time off.

- (a) If an employee uses all of his sick leave during an illness he may, subject to authorization from his immediate supervisor, use his unused vacation time during such illness.
- (b) In the event of illness, no sick leave exceeding three (3) days shall be allowed, unless the employee furnishes to his immediate supervisor a written statement from a physician, licensed and practicing medicine of the medical arts, certifying that the sickness has prevented the employee from working, and that employee is not physically able to return to work.
- (c) Upon termination of employment with Morton County, no employee shall receive pay for accumulated sick leave.
- (d) Each employee may take a day of sick leave to take a member of his or her family to the doctor or hospital.
- (e) Any time missed from work without vacation or sick leave will be deducted from wages.

Uncompensated Absences

Since all vacations must be taken and no provision for a carryover exists and there is no unused sick leave paid for, the County's uncompensated absence would be -0- at December 31, 2011.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 9: Deferred Compensation

Morton County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation assets, which are funded currently with third party investment companies, are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County, subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. Morton County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Morton County participates as a joint contract owner in a Group Variable Annuity Contract (K575 and any Successor Contract) issued by Aetna Life Insurance and Annuity Company to the State of Kansas on July 1, 1980. Morton County will offer its employees, as defined by KSA 1981 Supplement 74-4902, the right to participate in the State of Kansas Deferred Compensation Plan as adopted by Morton County pursuant to the Plan Joinder Agreement. The effective date of this election to adopt said State Plan shall be July 8, 1987, and the contract year applicable to the parties to this agreement for purposes of said Group Variable Annuity Contract shall be the period of twelve months commencing with either July 8, 1987 or any anniversary thereof.

The following is a summary of activity for the year ended December 31, 2011:

| | |
|----------------------------|------------------|
| Beginning account value | \$366,271 |
| Contributions | 21,725 |
| Withdrawals | (71,791) |
| Change in investment value | <u>1,354</u> |
| Ending account balance | <u>\$317,559</u> |

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 10: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Morton County. The statute requires banks eligible to hold Morton County's funds have a main or branch bank in the county in which Morton County is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. Morton County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits Morton County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. Morton County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount Morton County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Morton County's deposits may not be returned to it. State statutes require Morton County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Morton County Treasurer has a peak depository agreement with the bank.

At December 31, 2011, Morton County's carrying amount of deposits was \$16,621,965 and the bank balance was \$16,755,451. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by FDIC insurance, \$16,005,451 was collateralized with securities held by the pledging financial institutions' agents in Morton County's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Morton County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 11: Deficit Cash/Unencumbered Cash

Morton County does not have any funds with deficit unencumbered cash balances for the year ended December 31, 2011.

Note 12: Risk Management

The County is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been unable to obtain property, crime, liability and workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the state to participate in Kansas Workers Risk Cooperative for Counties and Kansas County Association Multiline Pool, public entity risk pools currently operating as a common risk management and insurance program for 35 and 34 participating members, respectively.

The County pays an annual premium to Kansas Workers Risk Cooperative for Counties and Kansas County Association Multiline Pool for its property, crime, liability and workers' compensation insurance coverage. The agreement to participate provides that the Kansas Workers Risk Cooperative for Counties and Kansas County Association Multiline Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$800,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Workers Risk Cooperative for Counties and Kansas County Association Multiline Pool management.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 13: Closure/Postclosure Landfill Liability

State and Federal laws and regulations require Morton County to place a final cover on the Morton County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, Morton County reports these closure and postclosure care costs as an operating expense in the year paid. The \$582,212 represents landfill closure and postclosure care liability at December 31, 2011. The County will recognize the remaining estimated costs of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The County is not required to currently accumulate funds to pay the future costs of closure and postclosure and has not done so. These future costs will be met when due by the allocation of general fund revenues, the issue of debt, or both. The County expects to close the landfill in the year 2030. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. There are 440 acres available for use of which 40 have been used.

The County has filed its financial assurance demonstration with the Kansas Department of Health and Environment.

MORTON COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 14: Long-Term Debt

Changes in long-term liabilities for the County for the year ended December 31, 2011 were as follows:

| <u>Issue</u> | <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Date of Final Maturity</u> | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Reductions/ Payments</u> | <u>Net Change</u> | <u>Balance End of Year</u> | <u>Interest Paid</u> |
|---------------------------|--------------------------|------------------------------|--------------------------------|---------------------------------------|--|------------------|---------------------------------|-----------------------|------------------------------------|--------------------------|
| General Obligation Bonds: | | | | | | | | | | |
| Assisted Living Center | 4.25% | 09/15/06 | \$4,500,000 | 09/01/11 | \$ 440,000 | - | \$ (440,000) | \$ (440,000) | \$ - | \$ 17,600 |
| Refinanced '06 Issue | 2.0-3.0% | 11/15/10 | 2,550,000 | 09/01/16 | <u>2,550,000</u> | <u>-</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>2,510,000</u> | <u>46,674</u> |
| | | | | | <u>\$2,990,000</u> | <u>-</u> | <u>\$ (480,000)</u> | <u>\$ (480,000)</u> | <u>\$2,510,000</u> | <u>\$ 64,274</u> |

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>Total</u> |
|------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Principal: | | | | | | |
| General Obligation Bonds | \$480,000 | \$490,000 | \$500,000 | \$510,000 | \$530,000 | \$2,510,000 |
| Interest: | | | | | | |
| General Obligation Bonds | <u>57,950</u> | <u>48,350</u> | <u>38,550</u> | <u>28,550</u> | <u>13,250</u> | <u>186,650</u> |
| Total Principal and Interest | <u>\$537,950</u> | <u>\$538,350</u> | <u>\$538,550</u> | <u>\$538,550</u> | <u>\$543,250</u> | <u>\$2,696,650</u> |

MORTON COUNTY, KANSAS

SUPPLEMENTAL SCHEDULES

MORTON COUNTY, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET

For the year ended December 31, 2011

| <u>Funds</u> | <u>Budget for Comparison</u> | <u>Expenditures Chargeable to Current Year</u> | <u>Variance Favorable (Unfavor.)</u> |
|--------------------------------|--------------------------------------|--|--|
| Governmental Type Funds: | | | |
| General Fund | \$4,056,105 | \$3,625,102 | \$431,003 |
| Special Revenue Funds: | | | |
| Road and Bridge | 1,016,085 | 1,001,544 | 14,541 |
| Extension Council | 94,500 | 93,860 | 640 |
| Conservation District | 22,400 | 22,131 | 269 |
| Mental Health | 22,400 | 22,128 | 272 |
| Developmental Disabled | 14,000 | 14,000 | - |
| Health | 125,620 | 95,743 | 29,877 |
| Emergency Medical Service | 103,184 | 102,842 | 342 |
| Hospital Maintenance | 1,150,000 | 1,150,000 | - |
| Council on Aging | 120,639 | 121,101 | (462) |
| Rural Fire District | 124,110 | 123,858 | 252 |
| Library Maintenance | 233,418 | 231,286 | 2,132 |
| Historical Records | 80,010 | 79,329 | 681 |
| Noxious Weed | 130,000 | 68,664 | 61,336 |
| Airport Maintenance | 187,400 | 130,047 | 57,353 |
| Employees' Benefits | 1,638,000 | 1,295,152 | 342,848 |
| Fair Maintenance | 62,187 | 61,779 | 408 |
| County Building | 650,000 | 62,325 | 587,675 |
| Special Alcohol and Drug Abuse | 2,700 | 2,700 | - |
| Equipment Reserve | 425,000 | 13,274 | 411,726 |
| Bond and Interest | 553,602 | 544,274 | 9,328 |

MORTON COUNTY, KANSAS

Schedule 2

SCHEDULES OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

MORTON COUNTY, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance Favorable (Unfavor.)</u> | <u>Prior Year Actual</u> |
|--|---------------------|--------------------|--|----------------------------------|
| | <u>Actual</u> | <u>Budget</u> | | |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$2,943,938 | \$2,969,961 | \$ (26,023) | \$2,631,836 |
| Back tax collections | 10,749 | 15,000 | (4,251) | 16,255 |
| Interest on delinquent taxes | 24,905 | 20,000 | 4,905 | 12,191 |
| Motor vehicle tax | <u>49,861</u> | <u>50,732</u> | <u>(871)</u> | <u>48,618</u> |
| Total taxes | <u>\$3,029,453</u> | <u>\$3,055,693</u> | <u>\$ (26,240)</u> | <u>\$2,708,900</u> |
| Intergovernmental: | | | | |
| State – Severance tax | <u>\$ 196,601</u> | <u>-</u> | <u>\$ 196,601</u> | <u>\$ 200,948</u> |
| Licenses, Permits and Fees: | | | | |
| Mortgage registration fees | \$ 19,206 | \$ 22,000 | \$ (2,794) | \$ 372,373 |
| Motor vehicle registration fees (KSA 8-145) | 18,815 | 15,000 | 3,815 | 23,350 |
| Officers' fees | <u>20,963</u> | <u>25,000</u> | <u>(4,037)</u> | <u>23,004</u> |
| Total licenses, permits & fees | <u>\$ 58,984</u> | <u>\$ 62,000</u> | <u>\$ (3,016)</u> | <u>\$ 418,727</u> |
| Use of Money and Property: | | | | |
| Interest on time deposits | \$ 28,066 | \$ 140,000 | \$ (111,934) | \$ 127,949 |
| Rentals and grain sales | 40,719 | 3,500 | 37,219 | 34,178 |
| Royalties | <u>8,046</u> | <u>6,500</u> | <u>1,546</u> | <u>8,533</u> |
| Total use of money & property | <u>\$ 76,831</u> | <u>\$ 150,000</u> | <u>\$ (73,169)</u> | <u>\$ 170,660</u> |
| Other: | | | | |
| Landfill receipts | \$ 5,477 | \$ 30,000 | \$ (24,523) | \$ 27,643 |
| Close out Assisted Living Fund | - | - | - | 302,668 |
| Other | 37,269 | 25,000 | 12,269 | 32,522 |
| Reimbursed expenses | 48,506 | - | 48,506 | 26,890 |
| Golf course | 85,283 | 80,000 | 5,283 | 78,098 |
| Register of Deeds Tech Funds | 5,080 | - | 5,080 | 6,520 |
| Civic Center | 9,725 | 8,000 | 1,725 | 7,135 |
| Law enforcement contracts | <u>41,988</u> | <u>45,000</u> | <u>(3,012)</u> | <u>48,186</u> |
| Total other | <u>\$ 233,328</u> | <u>\$ 188,000</u> | <u>\$ 45,328</u> | <u>\$ 529,662</u> |
| Total cash receipts | <u>\$3,595,197</u> | <u>\$3,455,693</u> | <u>\$ 139,504</u> | <u>\$4,028,897</u> |

MORTON COUNTY, KANSAS

Schedule 2-1

(Continued)

GENERAL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Prior</u> <u>Year</u> <u>Actual</u> |
|---|---------------------|--------------------|--|--|
| | <u>Actual</u> | <u>Budget</u> | | |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget (Schedule 4)</u> | | | | |
| General Government: | | | | |
| County Commissioners | \$ 50,538 | \$ 39,900 | \$ (10,638) | \$ 52,821 |
| County Clerk | 14,272 | 13,626 | (646) | 12,324 |
| County Treasurer | 10,548 | 16,263 | 5,715 | 10,590 |
| County Attorney | 43,913 | 29,900 | (14,013) | 41,646 |
| Register of Deeds | 16,296 | 9,454 | (6,842) | 25,352 |
| Election Expense | 10,959 | 43,500 | 32,541 | 27,865 |
| Appraiser | 113,963 | 95,620 | (18,343) | 106,824 |
| Clerk of District Court | 73,242 | 48,650 | (24,592) | 85,230 |
| Courthouse General | 244,632 | 349,400 | 104,768 | 241,932 |
| Data Processing | 53,438 | 54,568 | 1,130 | 55,935 |
| Purchasing Department | 21,094 | 19,320 | (1,774) | 28,017 |
| Total general government | <u>\$ 652,895</u> | <u>\$ 720,201</u> | <u>\$ 67,306</u> | <u>\$ 688,536</u> |
| Public Safety: | | | | |
| Sheriff | \$ 123,577 | \$ 186,200 | \$ 62,623 | \$ 151,354 |
| Juvenile detention | 6,750 | 5,000 | (1,750) | 6,935 |
| Total public safety | <u>\$ 130,327</u> | <u>\$ 191,200</u> | <u>\$ 60,873</u> | <u>\$ 158,289</u> |
| Environmental: | | | | |
| Solid waste | \$ 41,274 | \$ 102,158 | \$ 60,884 | \$ 47,076 |
| Payroll Department | <u>\$2,236,805</u> | <u>\$2,400,000</u> | <u>\$163,195</u> | <u>\$2,333,155</u> |
| Economic Development | <u>\$ 17,930</u> | <u>\$ 35,866</u> | <u>\$ 17,936</u> | <u>\$ 20,781</u> |
| Golf Course | <u>\$ 73,699</u> | <u>\$ 72,430</u> | <u>\$ (1,269)</u> | <u>\$ 75,773</u> |
| Civic Center | <u>\$ 46,184</u> | <u>\$ 104,250</u> | <u>\$ 58,066</u> | <u>\$ 32,131</u> |
| Other Appropriations: | | | | |
| Equipment reserve | \$ 275,000 | \$ 200,000 | \$ (75,000) | \$ 275,000 |
| WEKANDO – Contractual | 150,988 | 230,000 | 79,012 | 330,000 |
| Total other | <u>\$ 425,988</u> | <u>\$ 430,000</u> | <u>\$ 4,012</u> | <u>\$ 605,000</u> |
| Total expenditures and transfers subject to budget | <u>\$3,625,102</u> | <u>\$4,056,105</u> | <u>\$431,003</u> | <u>\$3,960,741</u> |
| Receipts over (under) expenditures | \$ (29,905) | | | \$ 68,156 |
| Unencumbered Cash, Beginning | <u>1,608,274</u> | | | <u>1,540,118</u> |
| Unencumbered Cash, Ending | <u>\$1,578,369</u> | | | <u>\$1,608,274</u> |

MORTON COUNTY, KANSAS

Schedule 2-2

ROAD AND BRIDGE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Prior</u> <u>Year</u> <u>Actual</u> |
|---|---------------------|--------------------|--|--|
| | <u>Actual</u> | <u>Budget</u> | | |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 204,807 | \$ 206,693 | \$ (1,886) | \$ 356,626 |
| Back tax collections | 1,864 | 2,500 | (636) | 4,385 |
| Motor vehicle tax | <u>8,631</u> | <u>6,892</u> | <u>1,739</u> | <u>13,073</u> |
| Total taxes | <u>\$ 215,302</u> | <u>\$ 216,085</u> | <u>\$ (783)</u> | <u>\$ 374,084</u> |
| Intergovernmental: | | | | |
| Gas tax | \$ 201,428 | \$ 195,000 | \$ 6,428 | \$ 201,500 |
| County Equalization Fund | 3,979 | 5,000 | (1,021) | 4,929 |
| Submarginal land | <u>758,173</u> | <u>600,000</u> | <u>158,173</u> | <u>615,936</u> |
| Total intergovernmental | <u>\$ 963,580</u> | <u>\$ 800,000</u> | <u>\$ 163,580</u> | <u>\$ 822,365</u> |
| Charges for Services: | | | | |
| County Engineer | <u>\$ 39,029</u> | <u>-</u> | <u>\$ 39,029</u> | <u>-</u> |
| Other: | | | | |
| Miscellaneous | \$ 49,301 | - | \$ 49,301 | \$ 13,475 |
| Sale of equipment | 43,325 | - | 43,325 | - |
| Insurance proceeds | 36,634 | - | 36,634 | - |
| Grants and gifts | <u>43</u> | <u>-</u> | <u>43</u> | <u>1,167</u> |
| Total other | <u>\$ 129,303</u> | <u>-</u> | <u>\$ 129,303</u> | <u>\$ 14,642</u> |
| Total cash receipts | <u>\$1,347,214</u> | <u>\$1,016,085</u> | <u>\$ 331,129</u> | <u>\$1,211,091</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Transportation – Highways: | | | | |
| Contractual services | \$ 39,736 | \$ 116,000 | \$ 76,264 | \$ 150,684 |
| Commodities | 561,808 | 900,085 | 338,277 | 825,693 |
| Transfer – Special Highway | 400,000 | - | (400,000) | 350,000 |
| Transfer – Special Equipment | <u>-</u> | <u>-</u> | <u>-</u> | <u>350,000</u> |
| Total expenditures and transfers subject to budget | <u>\$1,001,544</u> | <u>\$1,016,085</u> | <u>\$ 14,541</u> | <u>\$1,676,377</u> |
| Receipts over (under) expenditures | \$ 345,670 | | | \$ (465,286) |
| Unencumbered Cash, Beginning | <u>23,596</u> | | | <u>488,882</u> |
| Unencumbered Cash, Ending | <u>\$ 369,266</u> | | | <u>\$ 23,596</u> |

MORTON COUNTY, KANSAS

Schedule 2-3

EXTENSION COUNCIL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 90,966 | \$ 91,682 | \$ (716) | \$124,158 |
| Back tax collections | 514 | 400 | 114 | 804 |
| Motor vehicle tax | <u>2,380</u> | <u>2,418</u> | <u>(38)</u> | <u>2,405</u> |
| Total cash receipts | \$ 93,860 | \$ <u>94,500</u> | \$ <u>(640)</u> | \$127,367 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Natural Resources: | | | | |
| Appropriations – Extension | | | | |
| Council | <u>93,860</u> | \$ <u>94,500</u> | \$ <u>640</u> | <u>127,717</u> |
| Receipts over (under) expenditures | - | | | \$ (350) |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>350</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-4

CONSERVATION DISTRICT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|---------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 21,435 | \$ 21,656 | \$ (221) | \$ 29,728 |
| Back tax collections | 123 | 150 | (27) | 190 |
| Motor vehicle tax | <u>573</u> | <u>594</u> | <u>(21)</u> | <u>565</u> |
| Total cash receipts | \$ 22,131 | \$ <u>22,400</u> | \$ <u>(269)</u> | \$ 30,483 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Natural Resources: | | | | |
| Appropriation to District | <u>22,131</u> | \$ <u>22,400</u> | \$ <u>269</u> | <u>30,483</u> |
| Receipts over (under) expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-5

MENTAL HEALTH FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|---------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 21,435 | \$ 21,657 | \$ (222) | \$ 29,728 |
| Back tax collections | 120 | 150 | (30) | 174 |
| Motor vehicle tax | <u>573</u> | <u>593</u> | <u>(20)</u> | <u>555</u> |
| Total cash receipts | \$ 22,128 | \$ <u>22,400</u> | \$ <u>(272)</u> | \$ 30,457 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Health: | | | | |
| Appropriations – Area Mental | | | | |
| Health | <u>22,128</u> | \$ <u>22,400</u> | \$ <u>272</u> | <u>30,457</u> |
| Receipts over (under) expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-6

DEVELOPMENTAL DISABLED FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|----------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 13,397 | \$ 13,529 | \$ (132) | \$ 19,236 |
| Back tax collections | 83 | 100 | (17) | 141 |
| Motor vehicle tax | <u>365</u> | <u>371</u> | <u>(6)</u> | <u>390</u> |
| Total receipts | \$ 13,845 | \$ <u>14,000</u> | \$ <u>(155)</u> | \$ 19,767 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Health: | | | | |
| Contractual services | <u>14,000</u> | \$ <u>14,000</u> | <u>-</u> | <u>19,781</u> |
| Receipts over (under) expenditures | \$ (155) | | | \$ (14) |
| Unencumbered Cash, Beginning | <u>192</u> | | | <u>206</u> |
| Unencumbered Cash, Ending | \$ <u><u>37</u></u> | | | \$ <u><u>192</u></u> |

MORTON COUNTY, KANSAS

Schedule 2-7

HEALTH FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| <u>Cash Receipts</u> | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| Taxes: | | | | |
| Back tax collections | \$ <u>41</u> | \$ <u>250</u> | \$ <u>(209)</u> | \$ <u>193</u> |
| Other: | | | | |
| Grants | \$ <u>8,530</u> | \$ <u>-</u> | \$ <u>8,530</u> | \$ <u>29,699</u> |
| Charges for sales and services | <u>118,562</u> | <u>77,000</u> | <u>41,562</u> | <u>122,543</u> |
| Total other | <u>\$127,092</u> | <u>\$ 77,000</u> | <u>\$ 50,092</u> | <u>\$152,242</u> |
| Total cash receipts | <u>\$127,133</u> | <u>\$ 77,250</u> | <u>\$ 49,883</u> | <u>\$152,435</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Health: | | | | |
| Contractual services | \$ <u>43,313</u> | \$ <u>41,161</u> | \$ <u>(2,152)</u> | \$ <u>39,160</u> |
| Commodities | <u>50,166</u> | <u>49,250</u> | <u>(916)</u> | <u>68,209</u> |
| Capital outlay | <u>2,264</u> | <u>35,209</u> | <u>32,945</u> | <u>423</u> |
| Total expenditures and transfers subject to budget | <u>\$ 95,743</u> | <u>\$125,620</u> | <u>\$ 29,877</u> | <u>\$107,792</u> |
| Receipts over (under) expenditures | \$ <u>31,390</u> | | | \$ <u>44,643</u> |
| Unencumbered Cash, Beginning | <u>146,145</u> | | | <u>101,502</u> |
| Unencumbered Cash, Ending | <u>\$177,535</u> | | | <u>\$146,145</u> |

MORTON COUNTY, KANSAS

Schedule 2-8

EMERGENCY MEDICAL SERVICE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| <u>Cash Receipts</u> | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| Taxes: | | | | |
| Back tax collections | \$ 73 | \$ 250 | \$ (177) | \$ 363 |
| Motor vehicle tax | 195 | - | 195 | 856 |
| Total taxes | <u>\$ 268</u> | <u>\$ 250</u> | <u>\$ 18</u> | <u>\$ 1,219</u> |
| Other: | | | | |
| Grants and gifts | \$ 27,384 | \$ - | \$ 27,384 | \$ 13,800 |
| Charges for service | 190,459 | 70,000 | 120,459 | 98,441 |
| Total other | <u>\$217,843</u> | <u>\$ 70,000</u> | <u>\$147,843</u> | <u>\$112,241</u> |
| Total cash receipts | <u>\$218,111</u> | <u>\$ 70,250</u> | <u>\$147,861</u> | <u>\$113,460</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Health: | | | | |
| Contractual services | \$ 23,807 | \$ 22,170 | \$ (1,637) | \$ 27,579 |
| Commodities | 26,219 | 27,010 | 791 | 26,076 |
| Capital outlay | 22,816 | 5,000 | (17,816) | 13,426 |
| Transfer – Emergency Medical | | | | |
| Service Equipment Fund | <u>30,000</u> | <u>21,620</u> | <u>(8,380)</u> | <u>40,000</u> |
| Total expenditures and transfers | | | | |
| subject to budget | <u>\$102,842</u> | <u>\$ 75,800</u> | <u>\$ (27,042)</u> | <u>\$107,081</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>not Subject to Budget</u> | | | | |
| Credit for grants | <u>-</u> | <u>27,384</u> | <u>27,384</u> | <u>-</u> |
| Total expenditures and transfers | <u>\$102,842</u> | <u>\$103,184</u> | <u>\$ 342</u> | <u>-</u> |
| Receipts over (under) expenditures | \$115,269 | | | \$ 6,379 |
| Unencumbered Cash, Beginning | <u>38,372</u> | | | <u>31,993</u> |
| Unencumbered Cash, Ending | <u>\$153,641</u> | | | <u>\$ 38,372</u> |

MORTON COUNTY, KANSAS

Schedule 2-9

HOSPITAL MAINTENANCE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|--------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Year</u> <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$1,117,353 | \$1,126,375 | \$ (9,022) | \$1,049,231 |
| Back tax collections | 4,346 | 4,500 | (154) | 6,921 |
| Motor vehicle tax | <u>19,915</u> | <u>19,125</u> | <u>790</u> | <u>20,121</u> |
| Total cash receipts | \$1,141,614 | <u>\$1,150,000</u> | <u>\$ (8,386)</u> | \$1,076,273 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Hospital – Appropriations | <u>1,150,000</u> | <u>\$1,150,000</u> | <u>-</u> | <u>1,029,372</u> |
| Receipts over (under) expenditures | \$ (8,386) | | | \$ 46,901 |
| Unencumbered Cash, Beginning | <u>46,901</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>\$ 38,515</u> | | | <u>\$ 46,901</u> |

MORTON COUNTY, KANSAS

Schedule 2-10

COUNCIL ON AGING FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 56,801 | \$ 57,298 | \$ (497) | \$108,431 |
| Back tax collections | 445 | 500 | (55) | 697 |
| Motor vehicle tax | <u>1,875</u> | <u>2,101</u> | <u>(226)</u> | <u>1,631</u> |
| Total taxes | <u>\$ 59,121</u> | <u>\$ 59,899</u> | <u>\$ (778)</u> | <u>\$110,759</u> |
| Other: | | | | |
| Grants and gifts | \$ 14,781 | \$ - | \$ 14,781 | \$ 198 |
| Miscellaneous income | <u>3,600</u> | <u>3,600</u> | <u>-</u> | <u>3,600</u> |
| Total other | <u>\$ 18,381</u> | <u>\$ 3,600</u> | <u>\$ 14,781</u> | <u>\$ 3,798</u> |
| Total cash receipts | <u>\$ 77,502</u> | <u>\$ 63,499</u> | <u>\$ 14,003</u> | <u>\$114,557</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Social Services: | | | | |
| Personal services | \$ 5,088 | \$ 8,712 | \$ 3,624 | \$ 5,913 |
| Contractual services | 98,759 | 92,897 | (5,862) | 105,368 |
| Commodities | 7,375 | 16,030 | 8,655 | 9,544 |
| Capital outlay | <u>9,879</u> | <u>3,000</u> | <u>(6,879)</u> | <u>4,037</u> |
| Total expenditures and transfers subject to budget | <u>\$121,101</u> | <u>\$120,639</u> | <u>\$ (462)</u> | <u>\$124,862</u> |
| Receipts over (under) expenditures | \$ (43,599) | | | \$ (10,305) |
| Unencumbered Cash, Beginning | <u>75,039</u> | | | <u>85,344</u> |
| Unencumbered Cash, Ending | <u>\$ 31,440</u> | | | <u>\$ 75,039</u> |

MORTON COUNTY, KANSAS

Schedule 2-11

RURAL FIRE DISTRICT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| <u>Cash Receipts</u> | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| Taxes: | | | | |
| Ad valorem property tax | \$117,894 | \$118,923 | \$ (1,029) | \$162,646 |
| Back tax collections | 619 | 500 | 119 | 794 |
| Motor vehicle tax | <u>2,841</u> | <u>3,146</u> | <u>(305)</u> | <u>2,272</u> |
| Total taxes | <u>\$121,354</u> | <u>\$122,569</u> | <u>\$ (1,215)</u> | <u>\$165,712</u> |
| Other: | | | | |
| Grants and gifts | \$ 500 | - | \$ 500 | \$ - |
| Miscellaneous | <u>44,636</u> | <u>-</u> | <u>44,636</u> | <u>1,270</u> |
| Total other | <u>\$ 45,136</u> | <u>-</u> | <u>\$ 45,136</u> | <u>\$ 1,270</u> |
| Total cash receipts | <u>\$166,490</u> | <u>\$122,569</u> | <u>\$ 43,921</u> | <u>\$166,982</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Public Safety – Fire Protection: | | | | |
| Contractual services | \$ 55,058 | \$ 46,105 | \$ (8,953) | \$ 40,528 |
| Commodities | 13,867 | 22,600 | 8,733 | 7,484 |
| Capital outlay | 26,933 | 55,405 | 28,472 | 52,938 |
| Transfer: | | | | |
| Rural Fire Equipment Fund | <u>28,000</u> | <u>-</u> | <u>(28,000)</u> | <u>75,000</u> |
| Total expenditures and transfers subject to budget | <u>\$123,858</u> | <u>\$124,110</u> | <u>\$ 252</u> | <u>\$175,950</u> |
| Receipts over (under) expenditures | \$ 42,632 | | | \$ (8,968) |
| Unencumbered Cash, Beginning | <u>1,922</u> | | | <u>10,890</u> |
| Unencumbered Cash, Ending | <u>\$ 44,554</u> | | | <u>\$ 1,922</u> |

MORTON COUNTY, KANSAS

Schedule 2-12

LIBRARY MAINTENANCE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$223,863 | \$225,725 | \$ (1,862) | \$320,014 |
| Back tax collections | 1,314 | 1,500 | (186) | 2,004 |
| Motor vehicle tax | <u>6,109</u> | <u>6,193</u> | <u>(84)</u> | <u>6,079</u> |
| Total cash receipts | \$231,286 | <u>\$233,418</u> | <u>\$ (2,132)</u> | \$328,097 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Library: | | | | |
| Appropriations to Board | <u>231,286</u> | <u>\$233,418</u> | <u>\$ 2,132</u> | <u>328,097</u> |
| Receipts over (under) expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-13

HISTORICAL RECORDS FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 76,765 | \$ 77,486 | \$ (721) | \$110,168 |
| Back tax collections | 449 | 400 | 49 | 674 |
| Motor vehicle tax | <u>2,115</u> | <u>2,124</u> | <u>(9)</u> | <u>2,127</u> |
| Total cash receipts | \$ 79,329 | \$ <u>80,010</u> | \$ <u>(681)</u> | \$112,969 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Appropriations to Board | <u>79,329</u> | \$ <u>80,010</u> | \$ <u>681</u> | <u>112,969</u> |
| Receipts over (under) expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-14

NOXIOUS WEED FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|-------------------|--------------------|-------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| <u>Cash Receipts</u> | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| Taxes: | | | | |
| Ad valorem property tax | \$ 2,006 | \$ 2,095 | \$ (89) | \$ 31,474 |
| Back tax collections | 153 | - | 153 | 327 |
| Motor vehicle tax | <u>661</u> | <u>630</u> | <u>31</u> | <u>775</u> |
| Total taxes | \$ 2,820 | \$ 2,725 | \$ 95 | \$ 32,576 |
| Other: | | | | |
| Charges for sales and services | <u>29,449</u> | <u>74,000</u> | <u>(44,551)</u> | <u>91,158</u> |
| Total cash receipts | \$ <u>32,269</u> | \$ <u>76,725</u> | \$ <u>(44,456)</u> | \$ <u>123,734</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Natural Resources: | | | | |
| Contractual services | \$ 4,736 | \$ 5,900 | \$ 1,164 | \$ 6,739 |
| Commodities | 46,089 | 124,100 | 78,011 | 75,433 |
| Capital outlay | <u>17,839</u> | <u>-</u> | <u>(17,839)</u> | <u>6,853</u> |
| Total expenditures and transfers subject to budget | \$ <u>68,664</u> | \$ <u>130,000</u> | \$ <u>61,336</u> | \$ <u>89,025</u> |
| Receipts over (under) expenditures | \$ (36,395) | | | \$ 34,709 |
| Unencumbered Cash, Beginning | <u>99,186</u> | | | <u>64,477</u> |
| Unencumbered Cash, Ending | \$ <u>62,791</u> | | | \$ <u>99,186</u> |

MORTON COUNTY, KANSAS

Schedule 2-15

AIRPORT MAINTENANCE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|------------------|--------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$115,225 | \$116,225 | \$ (1,000) | \$ 36,722 |
| Back tax collections | 142 | 50 | 92 | 186 |
| Motor vehicle tax | <u>726</u> | <u>725</u> | <u>1</u> | <u>748</u> |
| Total taxes | \$116,093 | \$117,000 | \$ (907) | \$ 37,656 |
| Federal grants | - | 60,600 | (60,600) | - |
| Lease income/City of Elkhart | <u>5,165</u> | <u>9,800</u> | <u>(4,635)</u> | <u>12,097</u> |
| Total cash receipts | <u>\$121,258</u> | <u>\$187,400</u> | <u>\$ (66,142)</u> | <u>\$ 49,753</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Transportation – Airport: | | | | |
| Personal services | \$ 13,950 | \$ 5,000 | \$ (8,950) | \$ 13,950 |
| Commodities | 1,407 | 9,300 | 7,893 | 36 |
| Contractual services | 83,954 | 169,600 | 85,646 | 33,365 |
| Capital outlay | <u>30,736</u> | <u>3,500</u> | <u>(27,236)</u> | <u>4,678</u> |
| Total expenditures and transfers subject to budget | <u>\$130,047</u> | <u>\$187,400</u> | <u>\$ 57,353</u> | <u>\$ 52,029</u> |
| Receipts over (under) expenditures | \$ (8,789) | | | \$ (2,276) |
| Unencumbered Cash, Beginning | <u>13,697</u> | | | <u>15,973</u> |
| Unencumbered Cash, Ending | <u>\$ 4,908</u> | | | <u>\$ 13,697</u> |

MORTON COUNTY, KANSAS

Schedule 2-16

EMPLOYEES' BENEFITS FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | | <u>Prior</u> |
|---|---------------------|--------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Year</u> <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$1,590,574 | \$1,603,366 | \$ (12,792) | \$1,252,128 |
| Back tax collections | 4,983 | 4,500 | 483 | 7,056 |
| Motor vehicle tax | <u>23,022</u> | <u>24,134</u> | <u>(1,112)</u> | <u>21,444</u> |
| Total taxes | \$1,618,579 | \$1,632,000 | \$ (13,421) | \$1,280,628 |
| Other: | | | | |
| Reimbursed expenses | <u>2,637</u> | <u>6,000</u> | <u>(3,363)</u> | <u>4,730</u> |
| Total cash receipts | <u>\$1,621,216</u> | <u>\$1,638,000</u> | <u>\$ (16,784)</u> | <u>\$1,285,358</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Employees' Benefits: | | | | |
| Social Security | \$ 167,170 | \$ 190,000 | \$ 22,830 | \$ 172,013 |
| KPERS | 153,804 | 145,000 | (8,804) | 146,190 |
| Unemployment | 5,486 | 8,000 | 2,514 | 3,906 |
| Workman's Comp. | 66,732 | 85,000 | 18,268 | 69,094 |
| Life insurance | 7,097 | 10,000 | 2,903 | 8,753 |
| Health insurance | <u>894,863</u> | <u>1,200,000</u> | <u>305,137</u> | <u>1,038,797</u> |
| Total expenditures and transfers subject to budget | <u>\$1,295,152</u> | <u>\$1,638,000</u> | <u>\$342,848</u> | <u>\$1,438,753</u> |
| Receipts over (under) expenditures | \$ 326,064 | | | \$ (153,395) |
| Unencumbered Cash, Beginning | <u>31,910</u> | | | <u>185,305</u> |
| Unencumbered Cash, Ending | <u>\$ 357,974</u> | | | <u>\$ 31,910</u> |

MORTON COUNTY, KANSAS

Schedule 2-17

FAIR MAINTENANCE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|---------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$ 59,885 | \$ 60,379 | \$ (494) | \$ 80,439 |
| Back tax collections | 337 | 250 | 87 | 542 |
| Motor vehicle tax | <u>1,557</u> | <u>1,558</u> | <u>(1)</u> | <u>1,616</u> |
| Total cash receipts | \$ 61,779 | \$ <u>62,187</u> | \$ <u>(408)</u> | \$ 82,597 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Natural Resources: | | | | |
| Appropriations to Board | <u>61,779</u> | \$ <u>62,187</u> | \$ <u>408</u> | <u>82,597</u> |
| Receipts over (under) expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-18

COUNTY BUILDING FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance Favorable (Unfavor.)</u> | <u>Prior Year Actual</u> |
|---|---------------------|------------------|--|----------------------------------|
| | <u>Actual</u> | <u>Budget</u> | | |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$139,719 | \$140,876 | \$ (1,157) | \$328,750 |
| Back tax collections | 1,418 | 1,500 | (82) | 2,478 |
| Motor vehicle tax | <u>6,350</u> | <u>6,368</u> | <u>(18)</u> | <u>7,173</u> |
| Total cash receipts | \$147,487 | <u>\$148,744</u> | <u>\$ (1,257)</u> | \$338,401 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| General Government: | | | | |
| Building maintenance and acquisition | <u>62,325</u> | <u>\$650,000</u> | <u>\$587,675</u> | <u>316,620</u> |
| Receipts over (under) expenditures | \$ 85,162 | | | \$ 21,781 |
| Unencumbered Cash, Beginning | <u>481,101</u> | | | <u>459,320</u> |
| Unencumbered Cash, Ending | <u>\$566,263</u> | | | <u>\$481,101</u> |

MORTON COUNTY, KANSAS

Schedule 2-19

SPECIAL ALCOHOL AND DRUG ABUSE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|-----------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Year</u> <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Intergovernmental: | | | | |
| State of Kansas | \$ 1,573 | \$ <u>1,891</u> | \$ <u>(318)</u> | \$ 1,619 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Drug and alcohol abuse | <u>2,700</u> | \$ <u>2,700</u> | <u>-</u> | <u>2,700</u> |
| Receipts over (under) expenditures | \$ (1,127) | | | \$ (1,081) |
| Unencumbered Cash, Beginning | <u>1,944</u> | | | <u>3,025</u> |
| Unencumbered Cash, Ending | \$ <u>817</u> | | | \$ <u>1,944</u> |

MORTON COUNTY, KANSAS

Schedule 2-20

EQUIPMENT RESERVE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Interfund Transfer: | | | | |
| General Fund | \$275,000 | \$200,000 | \$ 75,000 | \$275,000 |
| Miscellaneous | <u>192</u> | <u>-</u> | <u>192</u> | <u>100</u> |
| Total cash receipts | \$275,192 | <u>\$200,000</u> | <u>\$ 75,192</u> | \$275,100 |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Capital outlay | <u>13,274</u> | <u>\$425,000</u> | <u>\$411,726</u> | <u>170,412</u> |
| Receipts over (under) expenditures | \$261,918 | | | \$104,688 |
| Unencumbered Cash, Beginning | <u>345,886</u> | | | <u>241,198</u> |
| Unencumbered Cash, Ending | <u>\$607,804</u> | | | <u>\$345,886</u> |

MORTON COUNTY, KANSAS

Schedule 2-21

BOND AND INTEREST FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND CHANGES
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Cash Receipts</u> | | | | |
| Taxes: | | | | |
| Ad valorem property tax | \$540,754 | \$534,104 | \$ 6,650 | \$547,355 |
| Back tax collections | 2,132 | 2,000 | 132 | 3,299 |
| Motor vehicle tax | 9,998 | 10,563 | (565) | 9,871 |
| Miscellaneous | 7,378 | - | 7,378 | - |
| Close out Assisted Living Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>76,774</u> |
| Total cash receipts | <u>\$560,262</u> | <u>\$546,667</u> | <u>\$ 13,595</u> | <u>\$637,299</u> |
| <u>Expenditures and Transfers</u> | | | | |
| <u>Subject to Budget</u> | | | | |
| Principal | \$480,000 | \$440,000 | \$ (40,000) | \$425,000 |
| Interest | <u>64,274</u> | <u>113,602</u> | <u>49,328</u> | <u>130,602</u> |
| Total expenditures and transfers subject to budget | <u>\$544,274</u> | <u>\$553,602</u> | <u>\$ 9,328</u> | <u>\$555,602</u> |
| Receipts over (under) expenditures | \$ 15,988 | | | \$ 81,697 |
| Unencumbered Cash, Beginning | <u>81,697</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>\$ 97,685</u> | | | <u>\$ 81,697</u> |

MORTON COUNTY, KANSAS

Schedule 2
(Continued)

SCHEDULES OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

MORTON COUNTY, KANSAS

Schedule 2-22

SPECIAL HIGHWAY IMPROVEMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|-------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Transfer from Road and Bridge | \$200,000 | \$ 350,000 |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>-</u> | <u>1,613,246</u> |
| Receipts over (under) expenditures | \$200,000 | \$ (1,263,246) |
| Unencumbered Cash, Beginning | <u>758,641</u> | <u>2,021,887</u> |
| Unencumbered Cash, Ending | <u>\$958,641</u> | <u>\$ 758,641</u> |

MORTON COUNTY, KANSAS

Schedule 2-23

SPECIAL HIGHWAY EQUIPMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|--------------------|--------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Transfer from Road and Bridge | \$ 200,000 | \$ 350,000 |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>91,139</u> | <u>414,716</u> |
| Receipts over (under) expenditures | \$ 108,861 | \$ (64,716) |
| Unencumbered Cash, Beginning | <u>1,447,905</u> | <u>1,512,621</u> |
| Unencumbered Cash, Ending | <u>\$1,556,766</u> | <u>\$1,447,905</u> |

MORTON COUNTY, KANSAS

Schedule 2-24

RURAL FIRE EQUIPMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Transfer from Rural Fire Fund | \$ 28,000 | \$ 75,000 |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>74,718</u> | <u>-</u> |
| Receipts over (under) expenditures | \$ (46,718) | \$ 75,000 |
| Unencumbered Cash, Beginning | <u>324,769</u> | <u>249,769</u> |
| Unencumbered Cash, Ending | <u>\$278,051</u> | <u>\$324,769</u> |

MORTON COUNTY, KANSAS

Schedule 2-25

EMERGENCY MEDICAL SERVICE EQUIPMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|--|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Transfer from Emergency Medical Service Fund | \$ 30,000 | \$ 40,000 |
| <u>Expenditures and Transfers</u> | | |
| Ambulance equipment | <u>17,372</u> | <u>13,704</u> |
| Receipts over (under) expenditures | \$ 12,628 | \$ 26,296 |
| Unencumbered Cash, Beginning | <u>626,379</u> | <u>600,083</u> |
| Unencumbered Cash, Ending | <u>\$639,007</u> | <u>\$626,379</u> |

MORTON COUNTY, KANSAS

Schedule 2-26

NOXIOUS WEED EQUIPMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | \$ - | - |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>1,007</u> | <u>-</u> |
| Receipts over (under) expenditures | \$ (1,007) | \$ - |
| Unencumbered Cash, Beginning | <u>52,122</u> | <u>52,122</u> |
| Unencumbered Cash, Ending | <u>\$ 51,115</u> | <u>\$ 52,122</u> |

MORTON COUNTY, KANSAS

Schedule 2-27

TREASURER'S SPECIAL AUTO FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|-------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Charges for Services: | | |
| Treasurer's Fees: | | |
| Motor vehicle licenses | \$ 30,870 | \$ 30,556 |
| Isolated and compensating sales tax | <u>224</u> | <u>208</u> |
| Total cash receipts | \$ <u>31,094</u> | \$ <u>30,764</u> |
| <u>Expenditures and Transfers</u> | | |
| General Government | \$ 12,279 | \$ 7,414 |
| Amount due General Fund (KSA 8-145) | <u>18,815</u> | <u>23,350</u> |
| Total expenditures and transfers | \$ <u>31,094</u> | \$ <u>30,764</u> |
| Receipts over (under) expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u><u>-</u></u> | <u><u>-</u></u> |

MORTON COUNTY, KANSAS

Schedule 2-28

PROSECUTOR'S TRAINING FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|-----------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Charges for Services: | | |
| Docket fees from District Court | \$ 313 | \$ 317 |
| <u>Expenditures and Transfers</u> | <u>-</u> | <u>-</u> |
| Receipts over (under) expenditures | \$ 313 | \$ 317 |
| Unencumbered Cash, Beginning | <u>3,914</u> | <u>3,597</u> |
| Unencumbered Cash, Ending | \$ <u>4,227</u> | \$ <u>3,914</u> |

MORTON COUNTY, KANSAS

Schedule 2-29

COUNTY ATTORNEY DIVERSION FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Charges for Services: | | |
| Docket fees from District Court | \$ <u>20,717</u> | \$ <u>12,921</u> |
| <u>Expenditures and Transfers</u> | | |
| Contractual services | \$ 16,790 | \$ 11,967 |
| Commodities | 6,843 | 4,942 |
| Capital outlay | <u>1,920</u> | <u>-</u> |
| Total expenditures and transfers | \$ <u>25,553</u> | \$ <u>16,909</u> |
| Receipts over (under) expenditures | \$ (4,836) | \$ (3,988) |
| Unencumbered Cash, Beginning | <u>25,828</u> | <u>29,816</u> |
| Unencumbered Cash, Ending | \$ <u>20,992</u> | \$ <u>25,828</u> |

MORTON COUNTY, KANSAS

Schedule 2-30

LAW LIBRARY FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|--------------------------------------|-------------------|---------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Charges for Services: | | |
| Docket fees from District Court/Dues | \$ 12,566 | \$ 7,134 |
| <u>Expenditures and Transfers</u> | | |
| Contractual services | <u>11,222</u> | <u>10,059</u> |
| Receipts over (under) expenditures | \$ 1,344 | \$ (2,925) |
| Unencumbered Cash, Beginning | <u>177</u> | <u>3,102</u> |
| Unencumbered Cash, Ending | <u>\$ 1,521</u> | <u>\$ 177</u> |

MORTON COUNTY, KANSAS

Schedule 2-31

SPECIAL ECONOMIC DEVELOPMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Rent on building | \$ 11,600 | \$ 11,350 |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>-</u> | <u>5,000</u> |
| Receipts over (under) expenditures | \$ 11,600 | \$ 6,350 |
| Unencumbered Cash, Beginning | <u>41,783</u> | <u>35,433</u> |
| Unencumbered Cash, Ending | <u>\$ 53,383</u> | <u>\$ 41,783</u> |

MORTON COUNTY, KANSAS

Schedule 2-32

BIOTERRORISM FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Grant | \$ <u>8,707</u> | \$ <u>24,346</u> |
| <u>Expenditures and Transfers</u> | | |
| Contractual services | \$ 2,956 | \$ 4,026 |
| Commodities | 5,744 | 6,367 |
| Capital outlay | <u>1,345</u> | <u>3,438</u> |
| Total expenditures and transfers | \$ <u>10,045</u> | \$ <u>13,831</u> |
| Receipts over (under) expenditures | \$ (1,338) | \$ 10,515 |
| Unencumbered Cash, Beginning | <u>12,599</u> | <u>2,084</u> |
| Unencumbered Cash, Ending | \$ <u>11,261</u> | \$ <u>12,599</u> |

MORTON COUNTY, KANSAS

Schedule 2-33

LOCAL E911
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Grants and gifts | \$ 15,438 | \$ 11,692 |
| Local fee revenue | <u>6,363</u> | <u>5,996</u> |
| Total cash receipts | \$ 21,801 | \$ 17,688 |
| <u>Expenditures and Transfers</u> | | |
| Contractual | <u>-</u> | <u>27,155</u> |
| Receipts over (under) expenditures | \$ 21,801 | \$ (9,467) |
| Unencumbered Cash, Beginning | <u>41,232</u> | <u>50,699</u> |
| Unencumbered Cash, Ending | <u>\$ 63,033</u> | <u>\$ 41,232</u> |

MORTON COUNTY, KANSAS

Schedule 2-34

SPECIAL LAW ENFORCEMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|-----------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Miscellaneous | \$ 662 | \$ 1,464 |
| <u>Expenditures and Transfers</u> | <u>-</u> | <u>-</u> |
| Receipts over (under) expenditures | \$ 662 | \$ 1,464 |
| Unencumbered Cash, Beginning | <u>2,944</u> | <u>1,480</u> |
| Unencumbered Cash, Ending | <u>\$ 3,606</u> | <u>\$ 2,944</u> |

MORTON COUNTY, KANSAS

Schedule 2-35

ASSISTED LIVING PROJECT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|-------------------|-------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Interest income | <u>-</u> | \$ <u>246</u> |
| <u>Expenditures and Transfers</u> | | |
| Transfer to Bond and Interest Fund | - | \$ 76,774 |
| Transfer to General Fund | <u>-</u> | <u>302,668</u> |
| Total expenditures and transfers | <u>-</u> | \$ <u>379,442</u> |
| Receipts over (under) expenditures | - | \$ (379,196) |
| Unencumbered Cash, Beginning | <u>-</u> | <u>379,196</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

MORTON COUNTY, KANSAS

Schedule 2-36

AIRPORT PROJECT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Year Ended</u> | |
|------------------------------------|--------------------|---------------------|
| | <u>Current</u> | <u>Prior</u> |
| <u>Cash Receipts</u> | | |
| Grant | \$1,741,527 | \$ 116,795 |
| Entity share | <u>30,736</u> | <u>-</u> |
| Total cash receipts | \$1,772,263 | \$ 116,795 |
| <u>Expenditures and Transfers</u> | | |
| Capital outlay | <u>1,706,636</u> | <u>229,602</u> |
| Receipts over (under) expenditures | \$ 65,627 | \$ (112,807) |
| Unencumbered Cash, Beginning | <u>(112,807)</u> | <u>-</u> |
| Unencumbered Cash, Ending | \$ <u>(47,180)</u> | \$ <u>(112,807)</u> |

MORTON COUNTY, KANSAS

Schedule 3

DISTRIBUTABLE, STATE SUBDIVISION AND OTHER AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL
 For the year ended December 31, 2011

| <u>Fund</u> | <u>Beginning</u> <u>Cash</u> <u>Balance</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Ending</u> <u>Cash</u> <u>Balance</u> |
|--|---|--------------------------------|-------------------------------------|--|
| Distributable Funds: | | | | |
| Ad valorem property tax | \$ 8,814,143 | \$14,490,860 | \$15,333,093 | \$ 7,971,910 |
| Ground water tax | - | 30,034 | 30,034 | - |
| Delinquent real estate tax | 32,858 | 51,009 | 32,858 | 51,009 |
| Delinquent personal property tax | 41,223 | 60,536 | 44,738 | 57,021 |
| Partial payments – Delinquent tax | 6,810 | 12,293 | 14,798 | 4,305 |
| Motor vehicle tax | 74,814 | 331,668 | 335,836 | 70,646 |
| Recreational vehicle tax | 1,088 | 10,305 | 9,174 | 2,219 |
| Submarginal land | - | 792,221 | 792,221 | - |
| Total Distributable Funds | <u>\$ 8,970,936</u> | <u>\$15,778,926</u> | <u>\$16,592,752</u> | <u>\$ 8,157,110</u> |
| State Funds: | | | | |
| Compensating and isolated sales tax | \$ 15,657 | \$ 251,431 | \$ 246,510 | \$ 20,578 |
| Motor vehicle tags | (232) | 234,072 | 233,578 | 262 |
| Driver license fees | 230 | 13,227 | 13,303 | 154 |
| State Educational/Institutional Building | (532) | 206,876 | 206,876 | (532) |
| Total State Funds | <u>\$ 15,123</u> | <u>\$ 705,606</u> | <u>\$ 700,267</u> | <u>\$ 20,462</u> |

MORTON COUNTY, KANSAS

Schedule 3
(Continued)

DISTRIBUTABLE, STATE SUBDIVISION AND OTHER AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL
For the year ended December 31, 2011

| <u>Fund</u> | <u>Beginning</u> <u>Cash</u> <u>Balance</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Ending</u> <u>Cash</u> <u>Balance</u> |
|--------------------------|---|--------------------------------|-------------------------------------|--|
| Subdivision Funds: | | | | |
| Cities | \$ - | \$ 938,547 | \$ 938,547 | \$ - |
| Cemeteries | - | 157,594 | 157,594 | - |
| Townships | 7,330 | 42,991 | 42,991 | 7,330 |
| Schools | <u>54,929</u> | <u>7,072,996</u> | <u>7,064,689</u> | <u>63,236</u> |
| Total Subdivision Funds | <u>\$ 62,259</u> | <u>\$ 8,212,128</u> | <u>\$ 8,203,821</u> | <u>\$ 70,566</u> |
| Other Agency Funds: | | | | |
| Civic Center Deposit | \$ 470 | \$ 19,295 | \$ 16,130 | \$ 3,635 |
| Payroll Clearing | 41,607 | 613,668 | 601,600 | 53,675 |
| Revolving Micro Loan | 68,028 | 7,236 | 1,288 | 73,976 |
| Bad checks | - | 3,739 | 3,739 | - |
| Change checks | - | 7,511,025 | 7,511,025 | - |
| Clerk of District Court | <u>22,446</u> | <u>661,240</u> | <u>646,395</u> | <u>37,291</u> |
| Total Other Agency Funds | <u>\$ 132,551</u> | <u>\$ 8,816,203</u> | <u>\$ 8,780,177</u> | <u>\$ 168,577</u> |
| Grand Total | <u>\$ 9,180,869</u> | <u>\$33,512,863</u> | <u>\$34,277,017</u> | <u>\$ 8,416,715</u> |

MORTON COUNTY, KANSAS

Schedule 4

GENERAL FUND
DEPARTMENTAL EXPENDITURES COMPARED
WITH BUDGET ESTIMATES

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|-----------------------------|---------------------|------------------|--------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>County Commissioners</u> | | | | |
| Contractual services | \$ 47,829 | \$ 36,400 | \$ (11,429) | \$ 52,601 |
| Commodities | <u>2,709</u> | <u>3,500</u> | <u>791</u> | <u>220</u> |
| Totals | \$ <u>50,538</u> | \$ <u>39,900</u> | \$ <u>(10,638)</u> | \$ <u>52,821</u> |
| <u>County Clerk</u> | | | | |
| Contractual services | \$ 11,857 | \$ 11,626 | \$ (231) | \$ 10,211 |
| Commodities | <u>2,415</u> | <u>2,000</u> | <u>(415)</u> | <u>2,113</u> |
| Totals | \$ <u>14,272</u> | \$ <u>13,626</u> | \$ <u>(646)</u> | \$ <u>12,324</u> |
| <u>County Treasurer</u> | | | | |
| Contractual services | \$ 7,675 | \$ 10,382 | \$ 2,707 | \$ 7,929 |
| Commodities | <u>2,873</u> | <u>5,881</u> | <u>3,008</u> | <u>2,661</u> |
| Totals | \$ <u>10,548</u> | \$ <u>16,263</u> | \$ <u>5,715</u> | \$ <u>10,590</u> |
| <u>County Attorney</u> | | | | |
| Contractual services | \$ 43,913 | \$ 29,600 | \$ (14,313) | \$ 38,225 |
| Commodities | <u>-</u> | <u>300</u> | <u>300</u> | <u>3,421</u> |
| Totals | \$ <u>43,913</u> | \$ <u>29,900</u> | \$ <u>(14,013)</u> | \$ <u>41,646</u> |
| <u>Register of Deeds</u> | | | | |
| Contractual services | \$ 7,749 | \$ 9,030 | \$ 1,281 | \$ 8,933 |
| Commodities | <u>44</u> | <u>424</u> | <u>380</u> | <u>792</u> |
| Capital outlay – Tech Fund | <u>8,503</u> | <u>-</u> | <u>(8,503)</u> | <u>15,627</u> |
| Totals | \$ <u>16,296</u> | \$ <u>9,454</u> | \$ <u>(6,842)</u> | \$ <u>25,352</u> |
| <u>Election</u> | | | | |
| Contractual services | \$ 10,764 | \$ 33,000 | \$ 22,236 | \$ 22,057 |
| Commodities | <u>195</u> | <u>10,500</u> | <u>10,305</u> | <u>5,808</u> |
| Totals | \$ <u>10,959</u> | \$ <u>43,500</u> | \$ <u>32,541</u> | \$ <u>27,865</u> |

MORTON COUNTY, KANSAS

Schedule 4
(Continued)

GENERAL FUND
DEPARTMENTAL EXPENDITURES COMPARED
WITH BUDGET ESTIMATES

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|--------------------------------|---------------------|------------------|--------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Appraiser</u> | | | | |
| Contractual services | \$113,117 | \$ 94,920 | \$ (18,197) | \$105,655 |
| Commodities | <u>846</u> | <u>700</u> | <u>(146)</u> | <u>1,169</u> |
| Totals | <u>\$113,963</u> | <u>\$ 95,620</u> | <u>\$ (18,343)</u> | <u>\$106,824</u> |
| <u>Clerk of District Court</u> | | | | |
| Contractual services | \$ 68,181 | \$ 45,150 | \$ (23,031) | \$ 81,183 |
| Commodities | <u>5,061</u> | <u>3,500</u> | <u>(1,561)</u> | <u>4,047</u> |
| Totals | <u>\$ 73,242</u> | <u>\$ 48,650</u> | <u>\$ (24,592)</u> | <u>\$ 85,230</u> |
| <u>Courthouse General</u> | | | | |
| Contractual services | \$228,827 | \$310,000 | \$ 81,173 | \$225,435 |
| Commodities | <u>15,805</u> | <u>39,400</u> | <u>23,595</u> | <u>16,497</u> |
| Totals | <u>\$244,632</u> | <u>\$349,400</u> | <u>\$104,768</u> | <u>\$241,932</u> |
| <u>Data Processing</u> | | | | |
| Contractual services | \$ 48,866 | \$ 49,473 | \$ 607 | \$ 47,232 |
| Commodities | <u>4,572</u> | <u>5,095</u> | <u>523</u> | <u>8,703</u> |
| Totals | <u>\$ 53,438</u> | <u>\$ 54,568</u> | <u>\$ 1,130</u> | <u>\$ 55,935</u> |
| <u>Purchasing Department</u> | | | | |
| Contractual services | \$ - | \$ 19,320 | \$ 19,320 | \$ 1,305 |
| Commodities | <u>21,094</u> | <u>-</u> | <u>(21,094)</u> | <u>26,712</u> |
| Totals | <u>\$ 21,094</u> | <u>\$ 19,320</u> | <u>\$ (1,774)</u> | <u>\$ 28,017</u> |
| <u>Public Safety – Sheriff</u> | | | | |
| Contractual services | \$ 84,936 | \$108,840 | \$ 23,904 | \$ 96,044 |
| Commodities | 38,641 | 77,360 | 38,719 | 53,344 |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,966</u> |
| Totals | <u>\$123,577</u> | <u>\$186,200</u> | <u>\$ 62,623</u> | <u>\$151,354</u> |

MORTON COUNTY, KANSAS

Schedule 4
(Continued)

GENERAL FUND
DEPARTMENTAL EXPENDITURES COMPARED
WITH BUDGET ESTIMATES

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|---------------|-------------------|---------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Favorable</u> | <u>Year</u> |
| | | | <u>(Unfavor.)</u> | <u>Actual</u> |
| <u>Juvenile Detention</u> | | | | |
| Contractual services | \$ 6,750 | \$ 5,000 | \$ (1,750) | \$ 6,935 |
| <u>Environmental – Solid Waste</u> | | | | |
| Contractual services | \$ 2,158 | \$ 21,240 | \$ 19,082 | \$ 1,436 |
| Commodities | 23,652 | 80,918 | 57,266 | 29,094 |
| Capital outlay | 15,464 | - | (15,464) | 16,546 |
| Totals | \$ 41,274 | \$ 102,158 | \$ 60,884 | \$ 47,076 |
| <u>Payroll Department</u> | | | | |
| Personal services | \$2,227,586 | \$2,400,000 | \$172,414 | \$2,315,749 |
| Contractual services | 9,219 | - | (9,219) | 17,406 |
| Totals | \$2,236,805 | \$2,400,000 | \$163,195 | \$2,333,155 |
| <u>Economic Development</u> | | | | |
| Contractual services | \$ 17,927 | \$ 32,150 | \$ 14,223 | \$ 20,281 |
| Commodities | 3 | 3,716 | 3,713 | 500 |
| Totals | \$ 17,930 | \$ 35,866 | \$ 17,936 | \$ 20,781 |
| <u>Golf Course</u> | | | | |
| Contractual services | \$ 31,766 | \$ 35,150 | \$ 3,384 | \$ 36,538 |
| Commodities | 41,933 | 37,280 | (4,653) | 39,235 |
| Totals | \$ 73,699 | \$ 72,430 | \$ (1,269) | \$ 75,773 |

MORTON COUNTY, KANSAS

Schedule 4
(Continued)

GENERAL FUND
DEPARTMENTAL EXPENDITURES COMPARED
WITH BUDGET ESTIMATES

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------|---------------------|--------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u> | <u>Year</u> <u>Actual</u> |
| <u>Civic Center</u> | | | | |
| Contractual services | \$ 37,037 | \$ 83,900 | \$ 46,863 | \$ 30,226 |
| Commodities | 9,147 | 20,350 | 11,203 | 1,585 |
| Capital outlay | - | - | - | 320 |
| Totals | <u>\$ 46,184</u> | <u>\$ 104,250</u> | <u>\$ 58,066</u> | <u>\$ 32,131</u> |
| <u>Other</u> | | | | |
| Transfer – Equipment Reserve | \$ 275,000 | \$ 200,000 | \$ (75,000) | \$ 275,000 |
| WEKANDO – Contractual | <u>150,988</u> | <u>230,000</u> | <u>79,012</u> | <u>330,000</u> |
| Total | <u>\$ 425,988</u> | <u>\$ 430,000</u> | <u>\$ 4,012</u> | <u>\$ 605,000</u> |
| Totals | <u>\$3,625,102</u> | <u>\$4,056,105</u> | <u>\$431,003</u> | <u>\$3,960,741</u> |

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of County Commissioners
Morton County, Kansas

Compliance

We have audited Morton County, Kansas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Morton County's major federal programs for the year ended December 31, 2011. Morton County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Morton County's management. Our responsibility is to express an opinion on Morton County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Morton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Morton County's compliance with those requirements.

In our opinion, Morton County, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Morton County, Kansas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Morton County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morton County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hay•Rice & Associates, Chartered

September 24, 2012

MORTON COUNTY, KANSAS

Schedule 5

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2011

| <u>Federal Grantor/Pass-Through Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Grant Award</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|---|------------------------------------|---------------------------------|
| U.S. Department of Transportation: | | | | |
| Airport Improvement Program | 20.106 | N/A | \$1,628,720 | \$1,628,720 |
| U.S. Department of Health and Human Services Passed Through | | | | |
| Kansas Department of Health and Environment: | | | | |
| Child Care Licensing and Registration Program | 93.575 | CCL 2011 | 1,530 | 1,530 |
| Family Planning Services | 93.217 | FP 2011 | 8,071 | 8,071 |
| Public Health Emergency Preparedness and Response | 93.069 | BIO 2011 | 4,669 | 4,669 |
| Maternal and Child Health Services | 93.994 | MCH 2011 | 779 | 779 |
| Immunization Action Plan | 93.268 | IMM 2011 | 1,677 | 1,677 |
| U.S. Department of Homeland Security Passed Through | | | | |
| Kansas Adjutant General: | | | | |
| Hazard Mitigation Grant | 97.039 | HM-1675-0076 | <u>12,667</u> | <u>12,667</u> |
| Total Expenditures of Federal Awards | | | <u>\$1,658,113</u> | <u>\$1,658,113</u> |

MORTON COUNTY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2011

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Morton County, Kansas and is presented on a cash disbursement basis adjusted for beginning and ending payables and encumbrances. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note B: Subrecipient Grant Agreement

Morton County, Kansas provided federal awards to subrecipients as follows:

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Amount Provided</u> |
|-----------------------------|------------------------------------|----------------------------|
| Airport Improvement Program | 20.106 | \$1,628,720 |

Note C: Noncash Assistance and Cumulative Endowment Funds

Morton County, Kansas received no federal noncash assistance and no cumulative endowment funds for the year ended December 31, 2011.

Note D: Federal Loan or Loan Guarantee Programs

For the year 2011, there were no loans or loan guarantees outstanding at year end.

Note E: There was no interest subsidy received by Morton County, Kansas under a federal loan or loan guarantee program.

MORTON COUNTY, KANSAS

Schedule 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies or material weaknesses are reported or disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Morton County, Kansas were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal awards programs are disclosed.
5. The auditor's report on compliance for the major federal award programs for Morton County, Kansas expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs include:
 Airport Improvement Program CFDA #20.106
8. The threshold for determining type A and B programs was:
 Type A – the larger of \$300,000 or 3% of total federal awards expended

 Type B – any programs that do not meet type A criteria specified above
9. Morton County, Kansas was determined not to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None.

MORTON COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended December 31, 2011

There were no audit findings relating to federal award programs in the prior year's audit.